

EXHIBIT 5  
DATE 1/27/2015  
HB 258

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January 25, 2015

Dear House Committee on Business and Labor,

I ask you to vote in support of HB 258, the Montana Benefits Corporation Act sponsored by Rep. Kathleen Williams.

I have recently registered my start-up science/technology company in Montana. After considering the organizational options, I wished to register as a Benefit Corporation. Unfortunately, Montana is among a minority of states that restrict entrepreneurs like myself from using this important option. After speaking with my legislator, Ed Lieser, and Rep. Kathleen Williams of Bozeman, I learned that the Legislature came close to approving this business option in 2013. So I decided to register a Limited Liability Company with the hope that I could convert to a Montana Benefit Corporation when we're ready to approach outside investors. Otherwise, we may register the company in a different state that offers this option, such as Oregon or Delaware.

Incorporating as a Benefit Corporation is important to me because it opens the door to the type of investor I hope to attract. As noted recently by *Forbes*, *"Incorporating as a benefit corporation legally protects an entrepreneur's social goals by mandating considerations other than just profit. By giving directors the secured legal protection necessary to consider the interest of all stakeholders, rather than just the shareholders who elected them, benefit corporations can help meet the needs of those interested in having their business help solve social and environmental challenges."*

There is a trend toward "mission-related investing" and "socially responsible investments" by philanthropic foundations, investor groups, and investment funds who believe that long-term profitability is best secured when a company acts in the social interest, even if it creates a temporary hit to short-term profitability. One of the best ways to signal our long-term commitment to this type of investor is to incorporate as a Benefit Corporation.

There is no downside to allowing a Montana company to incorporate as a Benefit Corporation. There is only upside in terms of investment, job creation, and economic diversification in Montana. HB 258 is a vote for business freedom and choice. I hope you will forward HB 258 to the House floor with a Do Pass recommendation.

Thank you for your consideration!

Steve Thompson

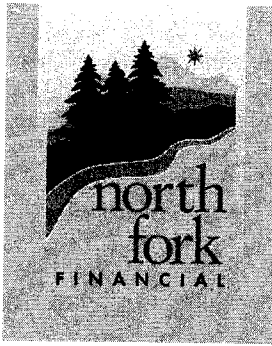


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3.18.2013

To Whom It May Concern:

We are in a unique time and place. Having experienced one of the most significant economic downturns in the last 50 years, yet remaining one of the fastest growing states in the nation for new businesses, we have the opportunity to encourage broader economic development in our state by lifting the yoke of government and potential litigation from the backs of our citizens.

HB 534 is legislation that specifically opens the door to additional types of businesses that cannot operate in our state, but that can operate currently in 12 other states, with legislation pending in 14 others. HB 534 serves two primary purposes: one, to prevent directors of a corporation from being sued in the event a company does not maximize shareholder value in the short term (typically defined by showing quarterly profits); and two, to allow businesses to pursue multiple sources of funding, including capital from foundations and private investors, among others, to help facilitate their growth.

In many ways, HB 534 is an ideal economic development tool. It unfetters businesses from the legal requirement of having to obey the short-term imperative of shareholder profit maximization, while creating an additional form of business within the current corporate code that will permit greater access to capital for all entrepreneurs.

Montana is a can-do state. We typically find government constraints, especially in the realm of economic development, as not only unnecessary, but intrusive. HB 534 effectively eliminates the obligations and limitations that existing corporate structures impose upon our entrepreneurial community and provides an avenue for our public institutions to support private enterprise directly by opening the door to greater investment in our state.

I encourage you to demonstrate your support for the entrepreneurial spirit embodied in HB 534 by sending it to the governor for his signature.

Sincerely,

William Stoddart  
Founder, Northfork Financial  
Bozeman

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## **HB 258 Authorize Benefits Corporations**

### **Submitted Testimony in favor of HB 258**

Business is the biggest force for economic prosperity in the state, and it is important for people to have confidence that the business community operates in a fair, honest and responsible way. The B Corp status is a way that government can encourage businesses - THAT WANT TO - to become more transparent and accountable.

Talented people are increasingly looking for an opportunity to balance their choice of where to live with the job opportunities available in the region. By enacting legislation to create a B corporation as a legal entity in Montana, the legislature is taking an active step to attracting the kind of progressive company to the state, which will encourage highly skilled people to relocate here. It increases job growth, increases the talent pool, and increases the net inflow of wealth into the state.

Companies that focus on "doing good" while making a profit make the state a better place to live and work. Broadening the focus beyond shareholder return to include community return make these companies better neighbors, which in turn make them more sustainable. MasterLube is the perfect example of a company that has used a higher purpose to create better than industry financial returns while remaining a solid contributor to the community in a wealth of different ways for over three decades.

When I owned OneEighty Communications, and arrived at the conclusion that I needed to sell the company, I laid out my criteria for an acquiring company. It had to benefit my customers, employees, shareholders and the community. I spoke with close to 30 companies before I found a good fit. Eight years later most of my staff are still working for the acquiring company, and they remain active in local economic development, charitable causes, etc. I know that I could have made more money if I had sold to a company that wanted to fire most of the employees and handle customer care from an office outside of Montana. Why did I choose the path I chose? I care about the people who worked for me, this place where I live, and the quality of service provided to my former customers.

The B Corp entity encourages these kinds of results, with the very tangible outcome of reinforcing Montana as "The Last Best Place."

Regards,

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